

<p>Attorney or Party Name, Address, Telephone & FAX Nos., State Bar No. & Email Address</p> <p>Christopher B. Ghio (State Bar No. 259094) Christopher Celentino (State Bar No. 131688) Jonathan Serrano (State Bar No. 333225) DINSMORE & SHOHL LLP 655 West Broadway, Suite 800 San Diego, CA 92101 Telephone: 619.400.0500 Facsimile: 619.400.0501 christopher.ghio@dinsmore.com christopher.celentino@dinsmore.com jonathan.serrano@dinsmore.com</p> <p>Proposed Special Counsel to Richard A. Marshack, Chapter 11 Trustee</p>	<p>FOR COURT USE ONLY</p>
<p style="text-align: center;">UNITED STATES BANKRUPTCY COURT CENTRAL DISTRICT OF CALIFORNIA – SANTA ANA DIVISION</p>	
<p>In re:</p> <p>THE LITIGATION PRACTICE GROUP P.C.,</p> <p style="text-align: right;">Debtor(s)</p>	<p>CASE NO.: 8:23-bk-10571-SC CHAPTER: 11</p> <p>NOTICE OF LODGMENT OF ORDER IN BANKRUPTCY CASE RE: <i>(title of motion¹)</i>:</p> <p>Trustee's Notice of Motion and Emergency Motion (I) for Entry of Interim Order: (A) Authorizing The Trustee to Obtain Post-Petition Financing and Superpriority Administrative Expense Claim Pursuant to 11 U.S.C. § 364; and (B) Setting Final Hearing; and Pursuant to Final Hearing, (II) for Entry of Final Order Approving Post-Petition Financing on a Final Basis</p>

PLEASE TAKE NOTE that the order titled Interim Order Granting Emergency Superpriority Financing by the Chapter 11 Trustee was lodged on (date) June 22, 2023 and is attached. This order relates to the motion which is docket number 119.

¹ Please abbreviate if title cannot fit into text field.

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10 **UNITED STATES BANKRUPTCY COURT**
11 **CENTRAL DISTRICT OF CALIFORNIA**
12 **SANTA ANA DIVISION**

13 In re:

14 THE LITIGATION PRACTICE GROUP P.C.,
15 Debtor.
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Case No. 8:23-bk-10571-SC

Chapter 11

**INTERIM ORDER GRANTING
EMERGENCY SUPERPRIORITY
FINANCING BY THE CHAPTER 11
TRUSTEE**

Date: June 20, 2023

Time: 3:00 p.m.

Judge: Hon. Scott C. Clarkson

Place: Courtroom 5C

411 West Fourth Street
Santa Ana, CA 92701

24
25 On June 20, 2023, on the 3:00 p.m. calendar, in Courtroom 5C of the United States
26 Bankruptcy Court, located at 411 West Fourth Street, Santa Ana, California 92701, the Honorable
27 Scott C. Clarkson, United States Bankruptcy Judge, conducted a hearing on the *Trustee's Notice of*
28 *Motion and Emergency Motion (I) for Entry of Interim Order: (A) Authorizing The Trustee to Obtain*

1 *Post-Petition Financing and Superpriority Administrative Expense Claim Pursuant to 11 U.S.C. §*
2 *364; and (B) Setting Final Hearing; and Pursuant to Final Hearing, (II) for Entry of Final Order*
3 *Approving Post-Petition Financing on a Final Basis* [Docket No. 119] (the “Motion”) filed on June
4 16, 2023 by Richard A. Marshack, the Chapter 11 Trustee (the “Trustee”) for the bankruptcy estate
5 (the “Estate”) of The Litigation Practice Group, P.C. (the “Debtor”), in the above-captioned
6 bankruptcy case.

7 The Court, having considered the Motion, all pleadings filed in support of, and in opposition
8 to, the Motion, good cause appearing, and for the reasons stated on the record and in the Motion:

9 1. Grants the Motion;

10 2. Approves the terms of that certain Super-Priority Promissory Note (the “Note”) as
11 attached as **Exhibit 2** to the Trustee’s Declaration;

12 3. Authorizes the Trustee to borrow, and the Lender (as defined in the Motion) to
13 advance up to \$800,000 in the aggregate, including an initial advance in the amount of \$350,000
14 and a subsequent advance of up to \$450,000, at an interest rate of 8% per annum, with the full
15 balance, including all accrued interest, due and payable in one year from the Start Date (as defined
16 in the Note), with payments first credited to interest due and any remainder credited to principal, as
17 provided under the Note, subject to the terms of this Order;

18 4. Authorizes the Trustee to execute and deliver to the Lender the Note and all other
19 loan documents required to be executed and delivered under the Note;

20 5. Authorizes the Trustee and counsel acting on behalf of the Trustee to take any such
21 actions that may be necessary to implement the Note and borrow funds under the Note as approved
22 in this Order;

23 6. Finds that the Trustee, on behalf of the Debtor and the Estate, is unable to find
24 sufficient financing from sources other than the Lender on terms more favorable than the terms for
25 the Note;

26 7. Finds that immediate financing is critical for the Debtor to continue its operations in
27 the ordinary course, and that the Note, the Trustee’s entry into the financing arrangement, and
28 related relief is necessary to avoid immediate and irreparable harm to the Debtor’s Estate, its

employees, and all parties in interest; and that the Note is the best source of financing available to the Debtor under the circumstances and was entered into in good faith and at arm's length;

8. Find that the terms of the Note and this Order are fair and reasonable and are supported by reasonably equivalent value and fair consideration;

9. Finds that the Trustee's agreement to the terms of the Note on behalf of the Debtor is a sound exercise of business judgment and should be approved as set forth herein;

10. Authorizes the Trustee to enter into any non-material amendment or modification to the Note, including but not limited to agreeing on the amount of the subsequent advance up to \$450,000, without further order of this Court, provided that any such non-material amendment or modification is set forth in writing and signed by the Trustee and the Lender, and provided that the Trustee provides notice of any such amendment or modification to the Court and the Office of the United States Trustee;

11. Authorizes the Trustee to use funds advanced under the Note on the terms and conditions set forth herein, provided that all such funds are used to pay payroll and other operating expenses solely;

12. Grants the Lender an allowed superpriority administrative claim pursuant to section 364(c)(1) of the Bankruptcy Code, having priority in right of payment over any and all other administrative expenses or priority claims;

13. Subrogates the Lender's claim, on account of funding payroll, to the administrative expense claims otherwise held by employees that have provided post-petition services since the Trustee has served the Court's TRO and taken control of operations;

14. Requires the approval and authorization of the Trustee for paying any and all expenses; or, in the event the Trustee is unavailable, requires the approval and authorization from Lori Ensley or one of the Trustee's law firm partners, Ed Hays, David Wood, or Laila Masud, for paying any and all expenses;

15. Directs that all ordinary business expenses approved by the Trustee shall be paid for by a trustee check;

16. Finds that the Note and this Order were negotiated in good faith and at arm's length

1 among the Trustee and the Lender;

2 17. Finds that the financing provided under the Note shall be deemed to have been
3 extended in good faith and for valid business purposes and uses within the meaning of section 364(e)
4 of the Bankruptcy Code;

5 18. Finds that there is no stay of this Order, including no stay pursuant to Rule 6004(h)
6 of the Federal Rules of Bankruptcy Procedure (to the extent applicable);

7 19. Sets a final hearing on the Motion for July 20, 2023 at 11:00 a.m.; and

8 20. Retains jurisdiction with the Court with respect to all matters arising from or related
9 to the implementation of this Order.

10 **IT IS SO ORDERED.**

11 ###

PROOF OF SERVICE OF DOCUMENT

I am over the age of 18 and not a party to this bankruptcy case or adversary proceeding. My business address is:

A true and correct copy of the foregoing document entitled: **NOTICE OF LODGMENT OF ORDER IN BANKRUPTCY CASE** will be served or was served **(a)** on the judge in chambers in the form and manner required by LBR 5005-2(d); and **(b)** in the manner stated below:

1. TO BE SERVED BY THE COURT VIA NOTICE OF ELECTRONIC FILING (NEF): Pursuant to controlling General Orders and LBR, the foregoing document will be served by the court via NEF and hyperlink to the document. On *(date)* June 22, 2023, I checked the CM/ECF docket for this bankruptcy case or adversary proceeding and determined that the following persons are on the Electronic Mail Notice List to receive NEF transmission at the email addresses stated below:

☒ Service information continued on attached page

2. SERVED BY UNITED STATES MAIL: On *(date)* _____, I served the following persons and/or entities at the last known addresses in this bankruptcy case or adversary proceeding by placing a true and correct copy thereof in a sealed envelope in the United States mail, first class, postage prepaid, and addressed as follows. Listing the judge here constitutes a declaration that mailing to the judge will be completed no later than 24 hours after the document is filed.

☐ Service information continued on attached page

3. SERVED BY PERSONAL DELIVERY, OVERNIGHT MAIL, FACSIMILE TRANSMISSION OR EMAIL *(state method for each person or entity served)*: Pursuant to F.R.Civ.P. 5 and/or controlling LBR, on *(date)* June 22, 2023, I served the following persons and/or entities by personal delivery, overnight mail service, or (for those who consented in writing to such service method), by facsimile transmission and/or email as follows. Listing the judge here constitutes a declaration that personal delivery on, or overnight mail to, the judge will be completed no later than 24 hours after the document is filed.

☒ Service information continued on attached page

I declare under penalty of perjury under the laws of the United States that the foregoing is true and correct.

June 22, 2023
Date

Katrice Ortiz
Printed Name

/s/ Katrice Ortiz
Signature

In re The Litigation Practice Group, P.C.
U.S.B.C., Central District of California, Santa Ana
Case No. 8:23-bk-105701-SC

I. SERVED ELECTRONICALLY VIA NEF:

- **Eric Bensamochan** eric@eblawfirm.us, G63723@notify.cincompass.com
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- **Johnny White** JWhite@wrsllawyers.com, jlee@wrsllawyers.com;eweiman@wrsllawyers.com

1 **II. SERVED VIA REGULAR U.S. MAIL:**

2 N/A

3 **III. SERVED VIA OVERNIGHT (FED EX):**

4 **United States Bankruptcy Court:**

5 Honorable Scott Clarkson

6 United States Bankruptcy Court

7 Central District of California

8 Ronald Reagan Federal Building and Courthouse

9 411 West Fourth Street, Suite 5130 / Courtroom 5C

10 Santa Ana, CA 92701

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